

## Message Text

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47

ORIGIN COME-00

INFO OCT-01 ARA-06 ISO-00 EB-07 /014 R

DRAFTED BY COM/BIC/OED/MEPD/TJASPER/CF

APPROVED BY EB/OCA/CM/JJREILLY

COM/BIC/OED/MEPD/SMCONGER

COM/BIC/OED/MEPD/JMSANDS, DIR.

COM/BIC/OIM (INFO)

ARA/BR/TSHUGART (INFO)

ARA/ECP/DLACEY (INFO)

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R 030208Z SEP 76

FM SECSTATE WASHDC

TO AMCONSUL RIO DE JANEIRO

AMEMBASSY BRASILIA

INFO AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: BENC, BR

SUBJECT: MAJOR PROJECT: PHASE III STEEL EXPANSION

REF: RIO DE JANEIRO 3253, RIO DE JANEIRO 3217

1. APPRECIATE EXCELLENT REPORT ON BARBOSA MEETING.

2. MESTA REPORTS THEY BID ON CSN PACKAGES 51, 52, 53 AND 54 ALTHOUGH THEY FELT THEIR OFFERS WERE MOST COMPETITIVE ON PACKAGES 52 AND 53. COMPANY THROUGH ITS BRAZILIAN AFFILIATE VILLARES HAS BEEN TRYING TO ARRANGE MEETING WITH CSN TO DISCUSS WHY THEIR BID WAS NOT SELECTED. TO DATE CSN HAS NOT RESPONDED AND WE EXPECT THAT PRESS REPORTS IN GAZETA MERCANTIL REFLECT AN ATTEMPT BY VILLARES TO PRESSURE CSN INTO GRANTING THIS MEETING.

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3. ON PACKAGE NUMBER 52 MESTA BID CRS 300 MILLION WITH

55 PERCENT LOCAL PROCUREMENT, THE CONSORTIUM OF  
ISHIKAWA JIMA AND MITSUBISHI BID CRS 303 MILLION WITH  
52 PERCENT LOCAL PROCUREMENT, INNOCENTI/INNOBRA BID  
CRS 250 MILLION WITH 30 PERCENT LOCAL PROCUREMENT.

3. ON PACKAGE 53 MESTA BID CRS 315 WITH 52 PERCENT  
LOCAL PROCUREMENT, ISHIKAWA JIMA/MITSUBISHI BID CRS 310  
WITH 45 PERCENT LOCAL PROCUREMENT AND INNOCENTI/INNOBRA  
BID CRS 290 WITH 20 PERCENT LOCAL PROCUREMENT.

4. PRICE COMPARISONS ARE BASED ON VILLARES ANALYSIS  
ALTHOUGH MESTA INDICATES THEIR CALCULATIONS PRODUCED  
SMILAR RESULTS. WHILE THIS INFORMATION IS NOT  
SUFFICIENT FOR POST TO DISCUSS MATTER WITH BARBOSA  
WE SUGGEST COMMERCIAL COUNSELOR MAY WANT TO CONTACT  
VILLARES FOR COMPLETE BRIEFING ON MESTA/VILLARES  
PROPOSALS. MESTA (DAN SMITH, MGR. LATIN AMERICA)  
CONCURS WITH THIS APPROACH AND SUGGESTS THAT COUNSELOR  
CONTACT EITHER CARLOS OR PAULO VILLARES.

5. KEEP US INFORMED OF DEVELOPMENTS. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE218764  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BIC/OED/MEPD/TJASPER/CF  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Authority:** GolinoFR  
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**Subject:** MAJOR PROJECT: PHASE III STEEL EXPANSION  
**TAGS:** BENC, BR  
**To:** RIO DE JANEIRO BRASILIA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006